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January 9, 2014

Ms. Terra Gusler  
Land Law Examiner  
Bureau of Land Management – Fluids  
5001 Southgate Drive  
Billings MT 59101

**FEDERAL EXPRESS – OVERNIGHT MAIL**

Bureau of Land Management

JAN 10 2014

Montana State Office

RE: Acreage Nomination Request  
Township 160 North, Range 100 West  
Section 3: SENW,  
Parcel 2 & 3 of the Plat of Divide  
County W.A. No. 1 recorded as  
Doc #124692  
(See Attachment 1)  
Divide County, North Dakota  
Containing 84.07 acres

Dear Terra:

Pursuant to Attachment 1, North Plains Energy, LLC (NPE) respectfully requests that the BLM – Fish and Wildlife lands be nominated for lease at the May 21, 2014 BLM Lease Sale.

Said lands are presently unleased and being drained by NPE's existing State 160-100-3-10-36-15E-1H well. We request the lands be nominated and provide the following documentation:

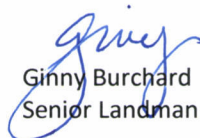
- 1) Smoky Butte Field is an Oil Field consisting of 18 1280 acre spacing units (defined in NDIC Order 14497 and 21384) currently under development (Attachment 2). NPE has developed the spacing unit consisting of Sections 3 and 10 by drilling and producing the NPE State 160-100-3-10-36-15E-1H from the Bakken Pool which represents a continuous source of supply across the Smoky Butte Field area (Attachment 3).
- 2) NPE estimates 8.8 MMBO original oil in place within the 1273.04 acre spacing unit of which approximately 375 MBOE will be recovered by the State 160-100-3-10-15E-1H, resulting in a recovery efficiency of approximately 4% OOIP (Attachment 4).
- 3) A state pooling application was made at the December 18-19, 2013 hearings. Our application received no protest and we anticipate receiving an approved Pooling Order at the Commission's next meeting on January 29, 2014.
- 4) Drilling and Division Order Title Opinion dated November 22, 2013, prepared by Dufford & Brown, Attorneys-at-Law, credit the Fish and Wildlife with owning these lands. Enclosed are the appropriate pages from said opinion for your review.

- 5) Warranty Deed dated November 22, 1963, from Lewis Moen and Christine Moen to the United States of America, conveying their interest in the lands covered by Parcel 2 and 3 is also enclosed along with the conveyance plat and the BLM OG Plat.

At your earliest convenience, please include these lands in the BLM Lease Sale. Should you have any questions or concerns, please feel free to contact me at (303) 800-5066 or [gburchard@northplainsenergy.com](mailto:gburchard@northplainsenergy.com).

Very truly yours,

NORTH PLAINS ENERGY, LLC

  
Ginny Burchard  
Senior Landman

Enclosure